

James J. Bonner

Manager – Electric Pricing

August 22, 2006

Honorable Jaclyn A. Brilling, Secretary State of New York Public Service Commission Office of the Secretary, 19th Floor Three Empire State Plaza Albany, NY 12223

Dear Secretary Brilling:

Enclosed herewith for filing in accordance with the requirements of the Public Service Commission, State of New York is a copy of the following Statement issued by Niagara Mohawk.

Statement of Commodity Adjustment Charge Statement No. 59

To P.S.C. 214 Electricity

Effective: August 30, 2006

This Statement of Commodity Adjustment Charge (CAC) is being filed per Rule No. 29—Delivery Charge Adjustment (DCA). Specifically, Rule No. 29.2 describes the calculation of the CAC which adjusts the Delivery Charge Adjustment prices for deviations between actual costs of unhedged energy and capacity for purchased power and Electricity Supply Service (ESS) revenues collected from customers through their service bills.

Statement of Commodity Adjustment Charge No. 59 is effective August 30, 2006 for batch billings and September 1, 2006 for calendar month billings.

Please notify me of any action taken in regards to this filing.

Sincerely,

James J. Bonner, Jr. Manager—Electric Pricing

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